



NACOGDOCHES COUNTY HOSPITAL DISTRICT

AMENDED AND RESTATED BYLAWS

Revised July 30, 2024

PREAMBLE

The Board of Directors of the Nacogdoches County Hospital District (“District”) adopts these Amended and Restated Bylaws (“Bylaws”) to provide a framework for self-government of the District and its operating medical providers and facilities. This framework permits the District to operate pursuant to Section 9, Article IX of the Texas Constitution and governing statutes of the State of Texas, including Chapter 1069 of the Texas Health and Safety Code. Texas and federal law are subject to change, and any part the Bylaws not set by law may be changed by a majority vote of the Members upon proper notice.

DEFINITIONS

“Administrator” means the District Chief Administrative Officer known also as the Chief Executive Officer.

“Board” means the Board of Directors of the District. The term “Board” shall have the same meaning as the term “board” under Chapter 1069 of the Texas Health and Safety Code. The Board is the governing body of the District’s medical facilities and providers.

“Member” or “Director” means a person elected to serve on the Board and duly qualified. Members are public officers.

“District” means the Nacogdoches County Hospital District.

ARTICLE 1 AUTHORIZATION AND PURPOSE

1.1 Statutory Authority. The District was established and is operated under the authority and in accordance with Article IX Section 9 of the Constitution of the State of Texas and pursuant to Chapter 1069 of the Texas Health and Safety Code. The District conducts business under the name of the District and certain assumed names. If any conflicts arise between the Bylaws and constitutional and statutory authorities, the Constitution and statutes will control.

1.2 Charitable Purpose. The District is responsible for the operation of medical facilities for the furnishing of medical and hospital care for the needy inhabitants of the District. The District boundaries are co-extensive with the boundaries of Nacogdoches County.

1.3 Mission. The District strives to build a healthy community regardless of our patient’s ability to pay by providing accessible, cost-effective, and high-quality medical care and transportation for healthcare needs. The District will accomplish this Mission through high standards of excellence, patient-centered service, compassion for residents in the community, and leadership in identifying the community’s healthcare needs. Through planned development and responsible management, the assets of the District will be used to meet the service needs of the community in an efficient and cost-effective manner after evaluation of available alternatives and other resources available to the District. Improvement of the health status of the residents of Nacogdoches County will be the primary emphasis of services offered by the District. The District

shall dedicate itself to the maximum level of quality consistent with sound fiscal management and community-based needs.

1.4 Non-Discrimination. The Board shall have responsibility for the management of the affairs of the District and the quality of patient care. Patient care, hiring, training, and employment practices shall be rendered without regard to, and shall not discriminate because of, age, race, veteran status/military service color, creed, marital status, national origin, residency status, sex, gender, or disability of patient, employee, medical staff member, or volunteer.

1.5 Fiscal Year. The District is operated on the basis of a fiscal year commencing on July 1 of each year and ending on June 30 of the following year.

1.6 Public Information. It is the policy of the state of Texas that each person is entitled, unless otherwise expressly provided by law, at all times to complete information about the affairs of the government and the official acts of public officials and employees in accordance with the Texas Public Information Act, Government Code Chapter 552 (“Act”). The District Administrator serves as the Public Information Officer and is responsible for maintaining public information in compliance with the Act and coordinating responses to requests for information that comply with the Act and are subject to the District’s attorney’s approval.

ARTICLE II BOARD OF DIRECTORS

2.1 Number and Qualifications. The Board is elected by the voters of the District. There are seven (7) Directors, one elected from each Commissioners Precinct and three (3) elected from the District at large. To be an eligible candidate for or to serve as a Director, a person must be a resident of the District and a qualified voter. In addition, a person who is elected from a Commissioner Precinct or who is appointed to fill a vacancy for a Commissioner Precinct must be a resident of that Commissioner Precinct. An employee of the District may not serve as a Director.

2.2 Terms. Members serve staggered two-year terms. All vacancies in the office of a Director shall be filled for the unexpired term by appointment of the remainder of the Board. If the number of directors is reduced to fewer than four for any reason, the remaining Members shall immediately call a special election to fill the vacancies.

2.3 Duties of a Director.

2.3.1 Members are responsible for attending meetings and functions, having a thorough understanding of the organization’s mission, reviewing materials, serving on committees, advocating for the organization, representing the organization, adhering to policies, refraining from special requests, and assisting with fiduciary responsibilities.

2.3.2 Members have a responsibility to continually educate themselves in matters related to hospital operations and policy. Each Member shall participate in an orientation

program that shall include, but not be limited to the District operations, Board operations, public records, ethics, Compliance, and the responsibility of the Board for quality care.

- 2.3.3** A Member shall discharge the director's duties in good faith, with ordinary care, and in a manner the director reasonably believes to be in the best interest of the District. In the discharge of any duty imposed or power conferred on a director, the Member may in good faith rely on information, opinions, reports, or statements, including financial statements and other financial data, concerning the District or another person that were prepared or presented by one or more officers or employees of the District, legal counsel, public accountants, or other persons as to matters the director reasonably believes are within the person's professional or expert competence.
- 2.3.4** All Members shall participate in annual compliance training as well as the Board's continuing education program.
- 2.1.1** Members understand and acknowledge that the day-to-day management of the District operations has been entrusted to the Administrator and that preserving the integrity of administrative reporting structures is important to a well-run organization. Members will keep the Administrator informed of concerns in a timely manner, but Members should avoid personal involvement on the activities the Board has delegated to the Administrator or that by law are the Administrator's responsibilities. It is the Administrator's job to take action and resolve situations, and Members should not violate the chain of command, causing disrespect and unclear expectations between the Staff, Administrator, and Board.
- 2.1.2** Members of the Board shall comply with Chapter 171 of the Texas Local Government Code by recusing themselves from any vote or decision and abstaining from participation in discussions on matters in which they have a substantial interest.
- 2.1.3** Members must comply with applicable provisions of the Texas Open Meetings Act with regard to their communications. Members may use mail, email, voice mail, text messaging, fax, phone, special committee meetings, or personal contact to communicate with each other individually; however, Members shall never circumvent and/or attempt to circumvent the Texas Open Meetings Act by meeting, talking, texting or e-mailing one another in a group large enough to constitute an official meeting, typically four (4) or more. In email or text messaging, "Reply All" must be avoided. Members who wish to disseminate information to the Board as a whole will contact the Board President prior to distribution to the Board.
- 2.1.4** Members who participate in social media such as, but not limited to, Facebook, LinkedIn or Twitter, should be careful to avoid online conversations that could be construed as speaking for the Board or constituting an online Board meeting. Members using personal social media accounts should clearly indicate any

communications posted by the Member is on their own behalf and not on behalf of the Board and/or District.

2.1.5 A Member, acting in his or her official capacity, shall have the right to seek information pertaining to District fiscal affairs, business transactions, governance, and personnel matters, including information that properly may be withheld from members of the general public in accordance with the Texas Public Information Act.

2.1.6 Members shall respect privacy of information by not requesting or seeking to obtain information that is not authorized or necessary for conducting the business of the Board. Members shall respect confidentiality by not revealing information to others who are not legally authorized to have it or that may be prejudicial to the good of the District.

2.4 Board Duties and Responsibilities. The Board manages, controls and administers the hospitals and hospital systems of the District. The District, through its Board, has the power and authority to sue and be sued and to promulgate rules and regulations for the operation of the District. To the extent not prohibited or limited by law, the Board shall:

- a. after 10 days' notice, consider and approve the annual budget for the District in public hearing, and, at a regular meeting, approve amendments to the budget;
- b. at an open meeting, consider and accept an annual audit, which, along with other records of the District, is open for inspection by the public;
- c. appoint the Administrator and Chief Compliance Officer for the District, and may appoint an Assistant Administrator;
- d. approve, adhere to, and enforce the policies developed for the operation of the District, unless otherwise delegated to the Administrator;
- e. approve, modify, or deny contracts, unless otherwise delegated to a committee or the Administrator;
- f. develop a philosophy and strategic goals for the District to be reflected in a comprehensive, coordinated strategic plan ("Strategic Plan");
- g. prescribe the method of making purchases and expenditures and the accounting and control procedures used by the District;
- h. appoint to the Medical Staff any medical professionals the Board considers necessary for the efficient operation of the District and make temporary appointments as considered necessary;

- i. employ technicians, nurses, fiscal agents, accountants, architects, additional attorneys, and other necessary employees or delegate to the District Administrator the authority to employ such persons for the District;
- j. provide retirement benefits for District employees;
- k. acquire property, including facilities and equipment, for the district for use in the hospital system and mortgage or pledge the property as security for payment of the purchase price;
- l. lease or acquire by lease real property, facilities, or equipment on terms the Board determines are in the best interest of the District;
- m. sell or otherwise dispose of property, including facilities or equipment, for the District;
- n. enter into construction contracts for the District; provided that the Board may enter into a construction contract that involves the expenditure of more than the amount provided by the Texas Local Government Code;
- o. enter into an operating or management contract relating to a hospital facility for the District; and
- p. meet other requirements imposed by law upon the Board.

2.5 Purchases for District.

- 2.5.1** A contract for construction or the purchase of equipment that involves the expenditure of more than \$25,000 may be made only after advertising in the manner provided by Subchapter B, Chapter 271, Local Government Code.
- 2.5.2** Except for emergency purchases, the Board must approve the purchase of items in excess of and/or contracts with a total value over \$50,000. The Administrator has the authority to authorize routine budgeted expenditures to operate the medical facilities under \$50,000 without the approval of the Board.
- 2.5.3** The District's attorney should be allowed an opportunity to review contractual terms prior to execution, regardless of whether Board approval is required.
- 2.5.4** In making purchases, the Board may determine the method of purchase that provides the best value to the District, including: competitive bidding; competitive sealed proposals; catalogue purchase; a group purchasing program; or an open market contract.
- 2.5.5** In determining what is the best value to the District, the Board shall consider: the purchase price; the reputation of the vendor and of the vendor's goods or services;

the quality of the vendor's goods or services; the extent to which the goods or services meet the District's needs; the vendor's past relationship with the District; the total long-term cost to the District of acquiring the vendor's goods or services; and any other relevant factor that a private business entity would consider in selecting a vendor.

- 2.5.6** Professional services cannot be awarded on the basis of bids. Professional services are awarded on the basis of demonstrated competence and qualifications. Professional fees should be consistent with recommended fees of the professions, represent fair market value, and cannot exceed maximums established by State law.

2.6 Reimbursement for Medical Services from Public Entities. The Board shall require a county, municipality, or public hospital located outside the district to reimburse the district for the district's care and treatment of a sick or injured person of that county, municipality, or public hospital as provided by Chapter 61, Health and Safety Code. The Board shall require the sheriff of a county or the police chief of a municipality to reimburse the District for the District's care and treatment of a person confined in a jail facility of the county or municipality who is not a district resident. The Board may contract with a political subdivision of this state or with the state or federal government for that government to reimburse the district for treatment of a sick or injured person, for the District to furnish a mobile emergency medical service, to provide for the investigatory or welfare needs of District inhabitants, or to provide a rural health clinic to care for the inhabitants of the contracting political subdivision. The District may also contract with a county or municipality located outside the District's boundaries for the care and treatment of a sick or injured person of that county or municipality.

2.7 Board's Attorney. The Board shall retain an attorney or attorneys, as necessary, to serve as the District's legal counsel and representatives in matters requiring legal services.

- 2.7.1** The Board's counsel may assist with communication and coordination between the Board and the administration, including but not limited to, assisting with compliance with applicable laws and adherence to the Texas Open Meetings Act.

- 2.7.2** The Board's counsel does not represent Members individually. To avoid unnecessary expense, maintain a clear line of communication, and comply with the Texas Open Meetings Act, the Board's counsel will communicate with the Board President or his/her designee, as appropriate.

- 2.7.3** If a Member has a concern regarding the Board President requiring involvement of the Board's counsel, the Member should direct the concern to Board's Vice President who will contact the Board's counsel. The Board's counsel may also represent the Medical Staff as dictated by the Medical Staff bylaws and state law.

2.8 Taxes. The Board must annually levy a tax for the purpose of paying indebtedness of the District and maintenance and operating expenses of the District. In setting such tax rate, the Board shall take into consideration the income of the District from sources other than taxation. Upon

determination of the amount of the tax, the Board shall levy and certify the same to the tax assessor-collector of the District.

2.9 Compliance with Applicable Laws and Regulations. The Board shall govern the District in compliance with all State and Federal laws and regulations, including but not limited to the Medicare Conditions of Participation and regulatory guidelines regarding the care and safety of patients receiving care at the District. The Board shall support and maintain an active Compliance Program and Code of Conduct.

2.10 Chief Compliance Officer. The Board, in coordination with the Administrator, shall appoint a well-qualified Chief Compliance Officer. The Chief Compliance Officer shall report directly to the Board on a regular basis and at least quarterly.

2.11 Chief Medical Officer. The Board shall appoint a Chief Medical Officer (“CMO”) for the District who has been recommended by the Medical Staff. The CMO shall notify the Texas Medical Board that the Board is employing physicians under this section and that the CMO is the Board’s designated contact with the Texas Medical Board. The CMO shall immediately report to the Texas Medical Board any action or event that the CMO reasonably and in good faith believes constitutes a compromise of the independent medical judgment of a physician in caring for a patient.

2.12 Medical Staff and Quality Improvement. The Board is responsible for the credentialing of medical staff at the District facilities (“Medical Staff”) and the evaluation and active monitoring of the continuous quality improvement process, including patient safety. The Board shall have ultimate power and authority to create and prescribe Medical Staff bylaws and rules and regulations regarding the practice of medicine in the District facilities and a Fair Hearing Plan for the Medical Staff. The Board has the power to appoint, suspend or remove any practitioner from the Medical Staff in accordance with the Board approved Medical Staff bylaws, applicable rules and regulations, and Fair Hearing Plan

2.13 Self-Evaluation. The Board shall conduct a self-evaluation based on the performance of the Board each fiscal year. The Executive Committee will develop the criteria for the evaluation, but it shall include, but not be limited to, a review of the Board’s effectiveness in the planning, operational, quality improvement, and financial management of the District.

ARTICLE III OFFICERS

3.1 President. At a meeting held in the fourth quarter of the calendar year, the Board shall elect a President of the Board (“President”) from among their number who shall preside at all meetings of the Board of Directors. The President shall oversee all Board Committee performance, ensure periodic assessment of governing body performance, ensure the orientation and development of all Directors, provide advice and support to the Administrator, and manage the affairs of the Board of Directors. The term of office for the President shall be for one year.

3.2 Vice-President or Vice-President. At a meeting held in the fourth quarter of the calendar year, the Board shall elect a vice-chair of the Board (“Vice-President”) from among their number.

The Vice-President shall act as President in that person's absence, incapacity or resignation from the Board of Directors with all necessary powers and authority in such intervals. The Vice-President shall also assist the President as requested. The term of office for the Vice-President shall be for one year.

3.3 Secretary. At a meeting held in the fourth quarter of the calendar year, the Board shall elect a secretary of the Board ("Secretary"). The Secretary, who need not be a Member, or his/her designee shall keep a complete and accurate record of the meetings of the Board and shall act as custodian of all valuable papers, records and reports of the District. The term of office for the Secretary shall be for one year.

3.4 Vacancies. The Board shall fill a vacancy in a board office for the unexpired term.

3.5 Removal. A Member may be removed from office pursuant to Chapter 87 of the Texas Local Government Code or other Texas law. Additionally, a Member may resign at any time by giving written notice to the Board President or Secretary. Any such resignation shall take effect as soon as a replacement is appointed and qualified to serve in the office.

ARTICLE IV MEETINGS

4.1 Meeting Proceedings. Board meetings are structured in a manner that best allows the Board to maintain order at a meeting to transact its business. The President, or if absent the Vice-President, shall preside at all meetings of the Board and shall utilize Robert's Rules of Order Revised to govern the proceedings of the meetings. The following procedures generally apply to Board meetings:

4.1.1 The primary recipients of information and data presented at Board meetings are the members of the Board. Discussions shall be addressed to the President and then the entire membership and shall be directed solely to the business currently under deliberation. The Board shall not deliberate or decide regarding any subject that is not included on the agenda posted with notice of the meeting. The President shall halt discussion that does not apply to the business before the Board. The President shall also halt discussion if the Board has agreed to a time limitation for discussion of an item, and that time limit has expired. Aside from these limitations, the President shall not interfere with the discussion as long as the Board wishes to address an item under consideration.

4.1.2 The Board may consult during the meeting with persons who have information that is germane to the topics under consideration.

4.1.3 All members of the public are to remain seated during the Board meeting unless to get refreshments, leave the meeting room, or requested to approach the Board for a presentation.

4.1.4 No person should act in a manner to obstruct the view of another person or in any way disturb or interfere with the orderly conduct of the meeting at any time, all in accordance.

4.1.5 The order of business for Board meetings shall be as set out in the agenda accompanying the notice of the meeting. At the meeting, the order in which posted agenda items are taken may be changed by consensus of the Board.

4.1.6 Public comment at each Board or Committee meeting shall occur at the beginning of the meeting. Members of the public who desire to deliver oral comments must complete the required sign-in form before the time for public comment registration. The Board may develop a policy addressing how public comment will be received, including specifying the number of speakers allowed and the length of time each speaker may speak. The purpose of such comment period is for the Board to receive comments from members of the public; public comments should not include questions or requests for information. All comments should be kept to less than 2 minutes in length. At regular Board meetings, the Board shall permit public comment, regardless of whether the topic is an item on the agenda posted with notice of the meeting. At all other Board meetings public comment shall be limited to items on the agenda posted with notice of the meeting..

4.2 Notice of Meetings. Notice of the Board's meetings and agendas must be posted and conducted in compliance with the Texas Open Meetings Act (Chapter 551, Texas Government Code). Generally, seventy-two (72) hours posted notice must be given to the public. One notice must be posted at the Nacogdoches County courthouse and one notice at the hospital in a place accessible to the public.

4.3 Agenda for Meetings.

4.1.1 The President should work with the Administrator to prepare the agenda for each meeting in a timely matter.

4.1.2 The Agenda shall identify the legal authority for a closed meeting if anticipated.

4.1.3 The Agenda can include a consent agenda that shall include those items of a routine and/or recurring nature grouped together under one action item. All such items shall be acted upon by one vote without separate discussion, unless a Member requests that an item be withdrawn for individual consideration. The remaining items shall be adopted under a single motion and vote.

4.1.4 Any Member can request that items or issues be added to the agenda. The President shall ensure that any topics the Board or individual Members have requested to be addressed are either on that agenda or scheduled for deliberation at an appropriate time in the near future. The President shall not have authority to remove from the agenda a subject requested by a Director without that Director's specific authorization.

4.1.5 The President shall have final approval of the agenda.. The Vice-President may approve the Board agenda if the President of the Board is, or appears to be, unable to approve the agenda in time to allow the Administrator to post the agenda in compliance with the Open Meetings Act, Chapter 551 of the Texas Government Code.

4.1.6 Any questions regarding agenda items should be submitted to the President and/or Administrator as soon as practical prior to the Board meeting so that questions can be practically addressed at the meeting.

4.1.7 The Administrator shall be responsible for posting and distributing the meeting agenda and any associated written materials to the Board.

4.1 Record of Meetings. The Board shall direct the Administrator to prepare and approve by majority vote written minutes of all meetings subject to the Open Meetings Act. Minutes shall be signed by the presiding officer and attested to by the Secretary.

4.2 Annual Meetings. The Board will conduct an annual meeting in December of each year or at another regular meeting designated by the President. The following activities will occur at the Annual Meeting:

- a. election and appointment of officers of the Board, if appropriate, that year;
- b. review of the Bylaws, if appropriate, that year;
- c. disclosure of conflict-of-interest statements by Members; and
- d. address other matters that may come to the attention of the Board.

4.3 Regular Meetings. To maximize public awareness of the District's activities, the Board endeavors to meet on a regularly scheduled basis and at a regularly scheduled location. Regular meetings of the Board shall be held at least once a month at Nacogdoches Memorial Hospital, the District headquarters, or other locations as specified in the Notice of Meeting. The date and time of all regular meetings to occur during a calendar year will be established by the President and adopted at the annual Board meeting. When necessary, the Board may add or cancel a regular meeting or change the date of a regular meeting.

4.4 Special Meetings. Special meetings of the Board may be held on any date that permits the Administrator to provide notice of the meeting in compliance with Chapter 551 of the Texas Government Code and may be called by: (A) the President; (B) the written request to the Administrator by at least four (4) Members; or (C) a motion adopted at a meeting of the Board. Special meetings shall begin at a time designated by the President, or a time specified by motion of the Board. The business to be discussed and acted upon at the special meeting shall be confined to the purpose or purposes for which the meeting was called.

4.5 Emergency Meetings. Emergency meetings of the Board may be called by the President or the Vice-President after receiving confirmation from legal counsel that an emergency or urgent public necessity exists and if there are issue(s) whose consideration cannot be postponed until a special or regular meeting. Posting of notice for emergency meetings shall be done in accordance with the requirements set forth in the Open Meetings Act, Chapter 551 of the Texas Government Code. At an emergency meeting, the Board may only deliberate and take action on matters directly related to the emergency or urgent public necessity identified in the notice of the meeting.

4.4 Closed Session. The Board may enter a closed session after establishing a quorum, calling the meeting to order, and announcing, in open session, that a closed session will be held in accordance with the policies and procedures of the Board and in compliance with the requirements set forth in the Open Meetings Act, Chapter 551 of the Texas Government Code. Board Members, the District's counsel, and those whose participation is necessary to the matter under consideration may attend the closed meeting. The Administrator may attend the closed meeting unless his or her employment or performance will be discussed. No person with an interest contrary to the interests of the District may attend the closed meeting. Members should never disclose what was discussed in the closed meeting.

4.5 Quorum and Vote. A majority of Directors shall constitute a quorum for the transaction of business at all meetings, but a lesser number may recess a meeting until a later specified date when a quorum shall be present. Approval of matters coming before the Board shall require a majority vote of those Members present unless the Board by resolution or policy requires a vote greater than a majority vote of the Directors present and voting at any meeting. Each Member shall be entitled to one (1) vote on all matters before the Board. There shall be no voting by proxy. Voting shall be by voice vote or show of hands, as directed by the President or the presiding officer. When a vote is not unanimous, the presiding officer may poll the Board. Any Member may abstain from voting, and a Member's vote or failure to vote shall be recorded upon that Member's request.

ARTICLE V BOARD OF DIRECTORS' COMMITTEES

5.1 Standing Committees. The Board shall establish and support certain standing committees. The committee structure should be reviewed every three years. Each standing committee should have a charter. The current standing committees are the Executive, Quality, and Strategic and Planning.

5.2 Committee Membership. Except as otherwise specified herein, committees shall be composed of no more than four Members, each of whom shall be appointed by, and may be removed by, the President of the Board. All Directors who are members of committees are voting members of those committees and count toward a quorum. A majority of all voting members is required for a quorum for all committees unless otherwise noted in their specific charters.

5.3 Open Meetings Act. All activities of the Board Committee meetings shall be conducted in compliance with the Texas Open Meetings Act, Chapter 551 of the Texas Government Code.

5.4 Authority. Committee meetings are held for the sole purposes of evaluating information and making recommendations to the Board. No committee is authorized to act on behalf of the entire Board of Directors.

5.5 Term. Committee members are appointed for a term of one (1) year and shall serve until the end of this period or until the member's successor is appointed, unless the member shall resign or be removed from the committee.

5.6 Executive Committee. The Executive Committee shall be comprised of the three Board officers and shall be responsible for making recommendations concerning Board Committee appointments, the Administrator's employment, items for future Board discussions, and compliance activities. The Executive Committee shall meet as often as necessary as determined by the President.

5.7 Quality Committee. The Quality Committee shall consist of three Directors selected by the Board and other members as dictated by the Committee Charter. The Quality Committee shall ensure the effectiveness and results of the continuous quality improvement process, utilization review program, risk management program and safety management program, and oversee the quality of medical care provided to the patients at the District. The Committee shall also consider medical/administrative matters related to compliance with Joint Commission standards, ethical matters and other issues of concern. The duties of the Committee may require that it serve as or make recommendations to the Board related to a Medical Peer Review Committee/Professional Review Body pursuant to the Texas Medical Practice Act and Committee pursuant to the Texas Medical Practice Act and the Health Care Quality Improvement Act, a Medical Committee pursuant to Section 161.031, et seq., Texas Health & Safety Code, a Nursing Peer Review Committee pursuant to the Texas Practice Act, or in some other peer review or committee function to which privilege may apply. The Committee will meet as often as necessary, but at least quarterly.

5.8 Strategic and Planning Committee. The Strategic and Planning Committee shall consist of three Directors selected by the Board and other members as dictated by the Committee Charter. With the Administrator, the Committee shall be responsible for developing the Strategic Plan and performance metrics and dashboards related to the business of the District. The Committee shall also make recommendations to the Board relating to overall business policy and plans, long-range strategic plans and urgent strategic issues. The Committee shall meet as often as necessary but at least two (2) times per year.

5.9 Special Committees. The President may appoint Directors to Special Committees as needed to consider specific concerns, needs, and services, and to make recommendations to the Board. All special committees are accountable to the Board.

ARTICLE VI ADMINISTRATOR

6.1 Administrator. The Board shall appoint a qualified Administrator of the District, who serves at the will of the Board. The Administrator is an *ex officio* member of the Board without a

vote. The Administrator shall be entitled to compensation as determined by the Board. On assuming the duties of district administrator, the administrator shall execute a bond payable to the district in an amount set by the board of not less than \$5,000 that is conditioned on the Administrator performing the administrator's duties; and contains any other condition the board requires.

6.2 Duties and Responsibilities. The Administrator supervises the work and activities of the District, subject to limitations prescribed by the Board, directs the affairs of the District, and implements the Strategic Plan. Except as limited by law, District policy, or action of the Board, the Administrator shall be responsible, at a minimum, for the following activities and functions:

- a. advise and assist the Board in managing, controlling, and administering the District's business;
- b. administer and enforce the policies, procedures, and rules necessary for the operation of the District;
- c. employ, evaluate, and discharge all employees of the District, subject to an annual approved budget;
- d. develop and maintain personnel policies and practices of the District;
- e. prepare, revise, and recommend an annual budget that reflects expected revenues and expenditures to the Board for approval;
- f. spend budgeted funds in accordance with District policies and procedures in order to accomplish the strategic goals of the District;
- g. make budget transfers between line items within the same Program Budget;
- h. prepare and present to the Board as soon as practicable after the close of each fiscal year, an annual financial report of all district money and accounting of all disbursements of that money;
- i. supervise the District's business affairs to ensure that funds are collected and used to the best possible advantage;
- j. maintain public information and coordinate responses to requests for information in coordination with District's attorney;
- k. supervise the purchase of supplies, services, and equipment in accordance with District policies and procedures;
- l. attend all meetings of the Board and committees thereof;
- m. execute contracts, amendments, and renewals in accordance with Board approved policies and procedures;

- n. execute documents on behalf of the Board which do not require individual discretion and are carried out as the result of statutory or regulatory mandates, or established procedures, including but not limited to, the execution of tax resale deeds and license agreements;
- o. perform such other duties as may be delegated by the Board to serve the best interests of the District;
- p. make an annual report to the Board, the Texas Health and Human Services Commission or its successor, and the comptroller as soon as practicable after the close of the fiscal year as required by Section 281.092 of the Texas Health and Safety Code;
- q. perform duties as required by Section 281.071, Texas Health and Safety Code, concerning payment and support, as necessary;
- r. oversee and make timely decisions on litigation matters in which the District is or may become named in a legal action, with the exception that the Administrator may not accept or reject any settlement offer or initiate any legal action without Board approval;
- s. inform the Board in the most appropriate manner of material operational or financial issues as identified by the Board;
- t. identify threats and opportunities and make recommendations to the Board; and
- u. meet such other requirements imposed by law or the Board upon the Administrator.

6.3 Board Evaluation. Within six months of retention and then at the end of each fiscal year, the Administrator shall provide the Board with performance goals for approval, modification, and additions. Each goal shall have measurements to review for summative evaluation and preparation for a written evaluation document. The Board, in conjunction with the Executive Committee, shall prepare a written evaluation of the Administrator at the end of each fiscal year based on the Administrator's job performance goals and other criteria found by the Board. The Board shall furnish the Administrator with a copy of the completed evaluation and shall discuss its conclusions with the Administrator in a closed meeting held in accordance with the Texas Open Meetings Act.

6.4 Public Information Officer. The Administrator shall serve as the District's Public Information Officer ("PIO").

6.4.1 Obligation of PIO. The PIO shall make public information available for public inspection and copying; carefully protect public information from deterioration, alteration, mutilation, loss, or unlawful removal; and repair, renovate, or rebind public information as necessary to maintain it properly. The PIO shall treat all requests for information uniformly without regard to the position or occupation of the requestor, the person on whose behalf the request is made, or the status of the individual as a member of the media.

6.4.2 Format of Requests. All requests for public information should be received in writing. For purposes of this Act, a written request includes a request made in

writing that is sent to the PIO by electronic mail or facsimile transmission. Any employee receiving a written request for information must immediately inform the Requestor they must make the request to the PIO.

6.4.3 Responding to Requests. When it is clear from the request that the requested information is not excepted from required disclosure, the PIO should respond or coordinate responses to the request with the District's attorney. The PIO should promptly produce public information for inspection, duplication, or both on application by any person.

6.4.4 Protected Information. Nothing in this Section shall allow an individual access to information to which access is denied by the Act or by another Law. Personal or protected information held by the District and protected from public disclosure by laws intended to protect that person's privacy interests will be disclosed only in accordance with the Act.

6.5 Notwithstanding the foregoing, the Board reserves its right to manage, control, and administer the District.

ARTICLE VII MEDICAL STAFF

7.1 Composition. The Board shall appoint a Medical Staff composed of physicians, dentists and podiatrists and all other licensed, independent practitioners requiring as dictated through the Medical Staff Bylaws credentialing procedures.

7.2 of Medical Staff.

7.2.1 The Medical Staff shall elect the Chief of the Medical Staff ("Chief of Staff"). The Chief of Staff shall comply with the obligations of the Chief of Staff in the Medical Staff Bylaws. The Chief of Staff or his/her delegate shall present all recommendations from the Medical Staff to the Board or appropriate Board Committee.

7.2.2 The Medical Staff shall form a medical executive committee pursuant to the Medical Staff Bylaws.

7.2.3 Each physician employed by the district shall ultimately report to the Chief of Staff.

7.3 Medical Staff Bylaws.

7.3.1 The Board shall adopt, maintain, and enforce Medical Staff Bylaws for the governance of their practice at the District to be of the greatest benefit to the care of patients. Such Medical Staff Bylaws shall include due process protection of the rights of members of the Medical Staff, as well as compliance with all laws and regulations governing the practice of medicine and the business of medicine,

including but not limited to all regulatory standards. The policies must relate to credentialing and privileges; quality assurance; utilization review; peer review and due process; and medical decision-making. The Board must adopt a policy to implement a complaint mechanism to process and resolve complaints regarding interference or attempted interference with a physician's independent medical judgment.

7.3.2 Such Medical Staff Bylaws shall also adopt ethical standards of conduct for patient care and ethical business practices that, at a minimum, include the standards of the District's Code of Conduct.

7.3.3 The policies adopted under this section must be approved by the Medical Staff.

7.4 Hospital Contract Services. The Board shall approve medical directors, contracts with physicians, and contracts with medical groups after receiving management recommendations. The District shall contract in writing with all contract physicians and contracted medical groups.